



D. KENT MICHIE
Insurance Commissioner
Utah Insurance Department

JON M. HUNTSMAN, JR.
Governor

JOHN 'MICKEY' BRAUN, JR., CIE
Assistant Commissioner
Office of the Commissioner

Bail Bond Oversight Board Meeting

Meeting Information

Date: July 26, 2006

Time: Noon

Place: Room 3112
State Office Building

Board Members

(Attendees = x)

xDominic Sanone, Chairman

xWayne Carlos, Vice-Chairman

xRick T. Westmoreland,

Ralph Cragun

xMichael Weddington

xMickey Braun

xBert Christenson

Andrew D. Bilanzich

Insurance Department Staff

xPerri Babalis

xDarrel Powell

xTara Lundgren

Tracy Klausmeier

xJilene Whitby

Minutes

Welcome

Dominic welcomed everyone to the meeting at 12:06p.m.

- Rick made a **motion** to go into Executive Session. Mike seconded the motion and the vote was unanimous in its favor.

General Session (*Open to the Public*)

- **Adoption of Minutes of Previous Meeting**

Dominic asked if Hometown's application had been approved. Tara said it had been.

Rick made the **motion** to approve the April minutes. Bert seconded the motion and the vote was unanimous in its favor.

- **Approval of Recommended Actions from Executive Session**

No recommendations were made in the Executive Session.

- **New Application(s) / Mickey Braun**

No applications had been filed.

- **Old Business** None

- **New Business**

- **Resolution to Permit Electronic Meetings / Perri Babalis**

Perri provided the draft of a "Resolution to Permit Electronic Meetings." Everyone was provided a copy to review. She has provided this same resolution to other committees she is counsel to. The new Open Meeting Act requires the adoption of such a resolution before an electronic meeting can be held. Rick made the motion to adopt the resolution. Bert seconded the motion, which was then unanimously approved. Dominic then signed it.

- **Review of Roberts Rules / Perri**

- The purpose of Roberts Rules is to expedite meetings.
 - The chair designates who may speak and can narrow or broaden the discussion.
 - A motion is not needed to approve the minutes. The chair can just say:
"The minutes of the previous meeting having been previously distributed will stand approved if there are no corrections."

- A motion is not needed to close a meeting. The chair may say:
"Since there is no further business the meeting stands adjourned."
- Perri will give instructions on how to deal with amended motions if and when the occasion occurs.
- The chair generally does not vote to show impartiality, unless there is a tie.
- **By-Laws / Mickey**
The Board's by-laws indicate that a chair and vice-chair should be elected every year. The minutes did not show that this had been done a year ago but the Board members remembered doing it around July. **The election of a new chair and vice-chair will be put on next month's agenda.**
- **Terms of Board Members / Mickey**
 - Rick, Bert and Mike's terms end June 30, 2007. Since Rick is in his second term he cannot re-apply. We will have to replace him with another attorney. Dominic said he knew of a person who may be interested.
 - Andrew, Dominic and Ralph's terms come due in 2009. Andrew will be able to re-apply if he wants but Dominic, Ralph and Wayne are in their second terms and will need to be replaced.
- **Rule R590-186, Bail Bond Surety / Mickey**
 - This rule is being reopened to make changes to Section 9, "Bonding Limits." Subsections will be added regarding the notification, appeal process, and publication of bonding limits and the process the Department will follow when surety exceeds their bonding limit. The department is already using these procedures.
 - A surety insurer can change an agency's limit by increasing or decreasing its power of attorney, which would then be updated on the department's list. A letter of credit or property surety can increase or decrease their bonding limit by changing their letter of credit or their net worth. Tara will be notifying each agency of their bonding limit and the process if the limit is exceeded. Agencies will be given fifteen days to notify the department if they wish to appeal the bonding limit calculated by the department. Shortly after the 15 days appeal period expires, the list will be made sent to the courts.
 - Wayne asked if the courts kept track of bonds issued? Mickey said it did. The Salt Lake District Court sends us their list of bonds that are issued to Utah district courts. It does not include bonds issued to courts other than district courts. **Wayne asked if the department could include this contact information in the letter being sent to agencies about their bonding limits? Mickey said yes.** The list includes names and case numbers. It will not include the total bonding amount. To obtain a list of bonds an agency has issued contact LeeAnn Heim Mueller, Deputy Court Clerk, Salt Lake District Court, 801-238-7191, leeann@email.utcourts.gov.
 - Tara will be drafting the proposed changes to the rule and in a month or so will send the Board members a draft and ask for their input before starting the formal rulemaking process.
- **Licensee Renewal Dates Information / Tara**
Agencies who want a list of their producers' license renewal dates can contact her and she will send it to them.
- **Renewal Question / Wayne**
Todd Harris asked him to check with the board to see if the copy of the tax return that is to be filed at renewal needs to be audited by a CPA? Mickey said financials do but tax returns do not. Perri said that if the code does not specify it then it is not required. We just the copies. Darrel noted that the department has received a couple of

handwritten annual financial statements. Because they were handwritten the department will be asking for additional documentation.

- **Possible Replacement of Board Member / Dominic Sanone**

Dominic said his office has hired Andrew's father. Would this prohibit Andrew from serving on the board? Perri reviewed 31A-35-201(1)(a)(ii) which states that the two general public members of the board are not to have "any financial interest in or professional affiliation with any bail bond surety company." She asked Dominic if Andrew has such an affiliation to which Dominic responded he did not. Perri said that there did not appear to be a conflict in this case. The other board members could see no reason Andrew should not remain on the board.

- **Dominic adjourned the meeting** at 12:34p.m.

Next Meeting

August 16 2006, Room 4112, State Office Building

Future Meetings

Jan. 18, Rm 7	May 17, Rm 4112	Sep. 20, Rm 4112
Feb. 15, Rm 7	Jun. 21, Rm 4112	Oct. 18, Rm 4112
Mar. 15, Rm 4112	Jul. 19, Rm 4112	Nov. 15, Rm 4112
Apr. 19, Rm 4112	Aug. 16, Rm 4112	Dec. 20, Rm 4112